

Chapter 7 –Close-Out Procedures

A. Final Claim

The final claim on an award is due to IHFA by 5:00PM the date the award expires. Claims received after this time will not be processed by IHFA.

IHFA will withhold the final payment on your award until all close-out documentation, including match/leverage information and all other supporting documentation has been submitted and approved by IHFA staff.

The following is what must be submitted:

- a. Exhibit A – Status of Federal Cash & Match/Leverage Statement;
- b. Exhibit B – Property Inventory Form;
- c. Exhibit C – Financial Settlement/Expenditure Summary;
- d. Exhibit D – Applicants & Beneficiary Summary;
- e. Exhibit E – Narrative;
- f. Exhibit F – Certification of Recipient; and
- g. Exhibit G – Individual Match/Leverage Summary Form.

B. Status of Federal Cash & Match/Leverage Statement (Exhibit A)

The purpose of this form is to list all of the project financing and applicable match information.

Computation of Award Balance

- 1. Enter the total award amount as shown in your award agreement.
- 2. Enter the total amount of HOME or CDBG funds received from IHFA.
- 3. List any HOME or CDBG funds that were returned to the IHFA.
- 4. Total funds used for award (line 2 minus line 3).
- 5. Total program income that was expended on project.
- 6. Total match or leverage generated and applied to this project.
- 7. Total amount of other income utilized for this project.
- 8. Total funds expended on project (add lines 4-7).
- 9. Amount to be deobligated from your award (line 1 minus line 4).

Computation of Loan Balance (N/A)

- 10. Enter the total award amount as shown in your loan agreement..
- 11. Enter the total amount of HOME or CDBG funds received from IHFA.
- 12. Total amount of other income utilized for this project.
- 13. Total funds expended on project (add lines 11+12).
- 14. Amount to be deobligated from your award (line 10 minus line 11).

Computation of HOME Match/CDBG Leverage (CDBG Planning Study Recipients)

15. Enter the total funds expended (line 4)
16. HOME Recipients Only: List the amount applied to administration and environmental review.
17. Enter the dollar amount requiring match (line 17 minus line 18).
18. Enter your match liability (HOME recipients enter 25% of line 17 and CDBG recipients enter 10% of line 17).

Banked Match/Leverage (CDBG Planning Study Recipients)

19. Enter the amount of match or leverage that has been banked from prior awards.
20. Enter the HOME-eligible match or CDBG-eligible leverage applied to project (line 6).
21. Enter the applicable match liability (line 18)
22. Enter the amount of match/leverage that will be carried forward for future awards (line 19+20-21).

Percentage of HOME Match/CDBG Leverage (CDBG Planning Study Recipients)

23. Enter the HOME-eligible match or CDBG-eligible leverage applied to project (line 6).
24. Enter the amount of banked match you are utilizing (line 18-6)
25. Enter the total match (line 23+24)
26. Enter the percentage of match/leverage applied to project (line 25/4)

C. Property Inventory Form

N/A for recipients of CHDO Works or HOME Subrecipient awards.

The purpose of this form is for recipients to account for any real property or equipment purchased with award funds. Please list any real property or equipment purchased throughout your award period.

D. Financial Settlement/Expenditure Summary

Complete a line for each budget line item, the most recent approved budget amount, amount drawn and the amount remaining to be drawn. The total amount remaining to be drawn must match line 9 of Exhibit A.

E. Applicants & Beneficiary Summary

N/A for recipients of CHDO Works or HOME Subrecipient awards.

At the top of the form, indicate with an "X" the appropriate award activity. If a project involves more than one activity, submit a separate sheet for each activity as well as total sheet. The total sheet must reflect the number of persons for the entire award, non-double counted [if the same person is involved in more than one housing activity (e.g. homeownerships counseling and downpayment assistance), only count the person once on the total sheet].

CDBG Planning Study Recipients

List nothing in the applicants section. In the beneficiary section, please list zero households, however, you must list the number of low moderate income persons in the project locality and list the demographic distribution based on ethnicity.

Total Applicants: Enter the total number of households that applied for assistance and the total persons within the households. Enter the total number of Hispanic households that applied and the number of Hispanic persons.

Total Beneficiaries: Enter the total number of households that benefited from the HOME or CDBG award and the total persons within the households. Enter the total number of Hispanic households that applied and the number of Hispanic persons.

Cumulative Applicants: Report information on all persons that have completed an application for the program from the beginning of the award period.

Cumulative Beneficiaries: Report information on all persons benefiting from the program from the beginning of the award period.

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Line 1-10: List the number of persons that applied and received assistance based on their ethnicity.

Line 11: List the total number of persons that applied and/or received assistance.

Line 12: List the number of low and moderate-income persons. Low and moderate-income persons have incomes less than 80% of area median income (adjusted for household size) as established by HUD.

Line 13: List the number of disabled persons (persons with a physical or mental impairment).

Line 14: List the number of elderly persons (persons aged 62 and over).

Line 15: List the number and percentage of persons living in Female Headed Households. A female head of household cannot be a single female it must be a female with a dependent.

F. Narrative Section

Answer all questions as given.

G. Certification of Recipient

The Chief Executive Officer must sign that all activities undertaken by the Recipient with funds provided under the award agreement identified above have, to the best of my knowledge, been completed in accordance with the award agreement; that the United States of America and the Indiana Housing Finance Authority are under no obligation to make any further payment in any form to the Recipient under the award agreement; and that every statement and amount set forth in this instrument is, to the best of my knowledge, true and correct as of this date. The recipient hereby agrees that any costs under this award disallowed by a subsequent audit by the Indiana State Board of Accounts or independent accounting firm will be promptly remitted to the Indiana Housing Finance Authority by the recipient.

H. Individual Site – Match/Leverage Summary Form

N/A for recipients of CHDO Works or HOME Subrecipient Awards.

1. Recipient: Enter the name of the award Recipient (either a municipality or a nonprofit organization).

2. Award Number: Insert the award number as listed on the award agreement.
3. IDIS Project Number: Leave blank.
4. HOME/CDBG Funds Expended: Enter the total amount of HOME/CDBG funds expended on the project. For non-HOME/CDBG eligible but not assisted projects that are generating HOME/CDBG match, enter \$0.
5. Final Draw Date: Enter the date the final project draw request was submitted to IHFA.
6. Project Address: List the street address of the project.
7. U.S. Congressional District: Enter the number of the U.S. Congressional District in which the project is located.
8. State House District: Enter the number of the State House District in which the project is located.
9. State Senate District: Enter the number of the State Senate District in which the project is located.

Potential Sources of Match: For each applicable category, enter the amount of match that has been expended on the project. IHFA will determine whether or not the reported funds are eligible to be counted toward the Recipient's HOME/CDBG match liability. For each entry on the log, attach supporting documentation.

10. Donated Cash (non-federal): List the value of any non-federal cash contributions made by the State, other non-federal governmental units, private entities, or individuals except a project owner or contractor. A cash contribution may be made from program income from a federal grant earned after the end of the award period if no federal requirements govern the disposition of the program income. Included in this category are repayments from closed out grants under the Urban Development Action Grant Program, the Rental Rehabilitation Grant Program, and certain State Small Cities Community Development Block Grant awards. Contributions that support administrative or project delivery costs do not count as match for HOME Awards. Nonprofit recipients or subrecipients who are reporting match contributions may not count contributions that result from ongoing annual fund drives. Contributions or grants to affordable housing that are not a part of an ongoing annual fund drive may be counted.

Required Documentation: Attach a listing of the contribution, donor, and date of contribution. Documentation should include a specific statement (e.g., donor letter) or other evidence that the contribution is for the general or specific project being reported. Please keep a copy of the check of the match coming in as well as the checks that paid for the services.

11. FHLB - AHP Grant: Grant awards through the Federal Home Loan Bank Affordable Housing Program should be reported here.

Required Documentation: Documentation should include a specific statement (e.g., award letter) or other evidence that the contribution is for the general or specific project being reported.

12. Private Grant: List the amount of any other non-federal grant funds awarded to the project address.

Required Documentation: Attach a listing of the contribution, donor, and date of contribution. Documentation should include a specific statement (e.g., donor letter) or other evidence that the contribution is for the general or specific project being reported.

13. Volunteer Labor: List the value of all donated or voluntary labor that was provided in connection with site-preparation, construction, or rehabilitation of the housing. Donated or voluntary labor is valued at a fixed rate by HUD. Currently, that rate is \$10 per hour for any type of unskilled labor. The rate of pay for a skilled labor is their normal hourly rate of pay.

Required Documentation: Attach a log showing the name, date, and hours of labor donated to the specific project.

14. Donated Professional Services: List the value of all donated or voluntary legal, architectural, or engineering services that were provided in connection with the project. The value of services contributed by a professional who has been contracted for other work on the HOME project cannot be counted as HOME match. Donated services are valued at the professional's actual hourly charges.

Required Documentation: The Recipient must document that the professional's hourly charges are reasonable and customary for the type of work performed. Attach a log showing the name, date, hourly rate, and number of hours donated to the specific project.

15. Waived Fees & Permits: List the value, based on customary and reasonable means for establishing value, of state or local taxes, fees, or other charges that are normally and customarily imposed or charged by a state or local government on all transactions or projects in the conduct of state or local government operations that are waived, forgone, or deferred in a manner that achieves affordability of housing that is assisted with HOME/CDBG funds. Fees or charges that are associated with the HOME Program only (rather than normally and customarily imposed or charged on all transactions or projects) are not eligible forms of contributions. The amount of any real estate taxes may be based on post-improvement property value, using customary and reasonable means of establishing value. For taxes, fees, or charges that are given for future years, the value is the present discounted cash value, based on a rate equal to the rate for the Treasury security with maturity closest to the number of years for which the taxes, fees, or charges are waived, forgone, or deferred.

Required Documentation: The Recipient must document that the waived fees and permits are reasonable and customary governmental charges. Attach a list of waived fees, date of waiver, and value of waiver.

16. Value of Donated Land/Building: List the value, before HOME/CDBG assistance is provided and minus any debt burden, lien, or other encumbrance, of donated or other real property. Property must be appraised in conformance with established and generally recognized appraisal practice, and value must be based on the best available data properly analyzed and interpreted. An independent, certified appraiser must perform the appraisal of land and structures. Partial donations are also acceptable (e.g., a sale below market price); however, the acquisition cost must be "demonstrably below the appraised value" and the seller must acknowledge in writing that the price differential is intended as a contribution to affordable housing.

Required Documentation: Attach a copy of the sales agreement or other documentation showing the sale price, the appraisal, and the seller's statement.

17. Value of Donated Material: List the value of all site-preparation and construction materials donated to the project.

Required Documentation: Attach a list of materials, donors, date of donation, and valuation.

18. Private Mortgage Financing: List the value of any below market financing as defined by HUD. The grant equivalent of a below market interest rate loan to the project that is not repayable to the State's HOME Investment Trust Fund may be counted as match. If the loan is made from funds borrowed by a jurisdiction or public agency or corporation, the contribution is the present discounted cash value of the difference between payments to be made on the borrowed funds and payments to be received from the loan to the project, based on a discount rate equal to the interest rate on the borrowed funds. If the loan is made from funds other than funds borrowed by a jurisdiction or public agency or corporation, the contribution is the present discounted cash value of the yield forgone, using one of the following measures of market rate yield, as appropriate: (1) with respect to 1-4 unit housing financed with a fixed interest rate mortgage, a rate equal to the 10-year Treasury note rate plus 200 basis points; (2) with respect to 1-4 unit housing financed with an adjustable interest rate mortgage, a rate equal to the one-year Treasury bill rate plus 250 basis points; or (3) with respect to a multifamily project, a rate equal to the 10-year Treasury note rate plus 300 basis points. The Treasury note rate on the date of loan closing is the one used for comparison.

Required Documentation: Attach documentation showing the nature of the contribution and how the valuation was calculated. You can contact your IHFA Compliance Specialist for a copy of the below market interest rate spreadsheet.

19. Trust Fund Loan: List the amount of IHFA Trust Fund loan funds used on the property address.
20. Required Infrastructure: List the cost of any investment, not made with federal resources, in on-site and off-site infrastructure that was directly required for the housing and made within twelve months of the time HOME/CDBG funds are committed to the project (set up in IDIS). These infrastructure investments must be prorated to reflect only that portion of the costs directly attributable to the HOME/CDBG-assisted housing. The costs must be reasonable and customary and may be contributed by a municipality or public or private utility. Infrastructure improvements cannot be counted as match in projects that are not HOME/CDBG-assisted, regardless of whether the project will be used to meet some or all of the Recipient's match requirement.

Required Documentation: Attach documentation of the contribution (and, if applicable, any calculations showing how a proration was achieved).

21. Other: Enter the amount of any other funds utilized on the project. IHFA will determine whether or not these funds can count toward the Recipient's match liability.

Required Documentation: Attach documentation of each expenditure.

22. Total Match: Enter the total estimated value of the match contribution. Please note that IHFA will review the information you have submitted and determine the value of the match.

I. Exhibits

- A. Status of Federal Cash & Match/Leverage Statement
- B. Property Inventory Form
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